

SERFF Tracking Number: AGNN-128472677 State: Arkansas
 Filing Company: Western National Life Insurance Company State Tracking Number:
 Company Tracking Number: R432-12
 TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.003 Single Premium
 Variable
 Product Name: R432-12
 Project Name/Number: Power Endorsement/R432-12

Filing at a Glance

Company: Western National Life Insurance Company

Product Name: R432-12

SERFF Tr Num: AGNN-128472677 State: Arkansas

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 Variable

SERFF Status: Closed-Approved-
 Closed State Tr Num:

Sub-TOI: A02I.003 Single Premium

Co Tr Num: R432-12

State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird

Author: LaDonna Bruce

Disposition Date: 06/18/2012

Date Submitted: 06/12/2012

Disposition Status: Approved-
 Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: Power Endorsement

Status of Filing in Domicile: Not Filed

Project Number: R432-12

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments: This endorsement
 form will not be used in the domicile state of
 Texas.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 06/18/2012

State Status Changed: 06/18/2012

Deemer Date:

Created By: LaDonna Bruce

Submitted By: LaDonna Bruce

Corresponding Filing Tracking Number:

Filing Description:

Attached is endorsement form R432-12 for your review and consideration. This endorsement will attach to new issues only of contract A201-05, previously approved in your state on 12-21-05. Existing policyholders will not be affected.

This form is new and does not replace any form previously approved by your Department. The filing includes no assumption or provisions that unfairly discriminate in availability, rates, benefits, or any other way for prospective insureds of the same class, equal expectation of life, and degree of risk. This filing does not contain any unusual or controversial items. To the best of our knowledge, information and belief, the forms submitted herewith are in

SERFF Tracking Number: AGNN-128472677 State: Arkansas
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compliance with the provisions of the insurance laws, rules, regulations and bulletins of your state, and such form contains no provisions previously disapproved by your Department. We certify that we are in compliance with Regulations 19 and 49 as well as AR Code Ann. 23-79-138.

The endorsement amends the policy to change how the minimum guaranteed withdrawal value ("MGWV") is determined. Currently, the MGWV is based on 90% of the single premium accumulated at a fixed rate of 3%. The enclosed endorsement would establish a new floor for the policy's minimum value based 87.5% of the single premium accumulated at a variable rate which can be as low as, but no lower than, 1%.

The enclosed Actuarial Memorandum includes the method for determining the rate used to calculate the MGWV, including the determination dates used for the five-year Constant Maturity Treasury Rate and the period of time over which an average is taken. There will be no reset provisions. The minimum rate used to calculate the MGWV will be declared once each calendar quarter thus allowing the company more flexibility to set minimum rates in response to changes in the financial markets. This rate will range between 1% and 3% and will apply to all new policies issued during that calendar quarter.

This change is necessary due to the country's continued and unprecedented low interest rate environment. Yields on fixed investments have steadily declined throughout the past year. This has exposed fixed annuity carriers like the Company to a problem with spreads between what they can earn on their investments and the minimum rates and/or values they must contractually guarantee under their fixed annuity products. Changing the policy's GMWV will help reduce the Company's exposure to the declining interest rate environment while continuing to provide a viable fixed annuity product to consumers in your state.

Please note the following:

- This endorsement fully complies with the requirements of your state's nonforfeiture law. As set forth in the enclosed endorsement, a minimum guaranteed withdrawal value is described that requires the Company to pay a minimum cash value on surrender. This ensures that the policy's minimum cash value floor is always at least as great as the minimum cash value required by the nonforfeiture law for your state. Enclosed is an actuarial memorandum demonstrating full compliance with the nonforfeiture requirements.
- Because this change affects the Accumulation Table, a revised Table with new values based on the minimum floor of 87.5% accumulated at 1% will accompany this endorsement. Both 87.5% and the 1% rate were chosen because these are the lowest possible values that the Company could ever declare in order to determine the MGWV.
- Both 87.5% and the 1% rate are bracketed as "variable items." 87.5% is bracketed to allow the Company to increase the percentage in the future if the financial markets improve and it becomes possible to allow a minimum floor based on

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a higher percentage of the single premium. The Company will not declare a percentage of premium for the policy's floor below 87.5%. Similarly, the 1% rate used to calculate the MGWV can fluctuate in response to changes in the treasury markets (subject to the conditions outlined in the attached Actuarial Memorandum). The Company will not declare a rate lower than 1%.

State Narrative:

Company and Contact

Filing Contact Information

LaDonna Bruce, Legal Analyst
 2919 Allen Pkwy, L10-30

LaDonna.Bruce@valic.com
 800-262-4764 [Phone] 8316050
 [Ext]

Houston, TX 77019

Filing Company Information

Western National Life Insurance Company
 2929 Allen Parkway, L10-30
 Houston, TX 77019
 (713) 831-6006 ext. [Phone]

CoCode: 70432
 Group Code: 12
 Group Name:
 FEIN Number: 75-0770838

State of Domicile: Texas
 Company Type:
 State ID Number:

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? Yes
 Fee Explanation: Texas fee is \$100.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Western National Life Insurance Company	\$100.00	06/12/2012	60081432

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved- Closed	Linda Bird	06/18/2012	06/18/2012

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Disposition

Disposition Date: 06/18/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Form Schedule

Lead Form Number: R432-12

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	R432-12	Policy/Cont Amendatory ract/Fratern Endorsement al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		48.000	R432-12 Power End.pdf

WESTERN NATIONAL LIFE INSURANCE COMPANY
(the "Company")
[205 East 10th Avenue
Amarillo, Texas 79101
Telephone 800.424.4990]

AMENDATORY ENDORSEMENT

This Endorsement is made a part of the individual annuity policy (the "Policy") to which it is attached. This Endorsement shall supersede certain provisions of the Policy or any endorsement issued prior to or concurrent with this Endorsement. All capitalized terms not otherwise defined in this Endorsement shall have the same meaning as ascribed in the Policy. This Endorsement amends the Policy as follows:

1. Withdrawal Value. This Endorsement changes the Policy's Withdrawal Value as follows:

Your withdrawal value is the amount you will receive upon withdrawal. The withdrawal value at any time equals the greater of:

- The guaranteed minimum withdrawal value (defined below); or
- The annuity value minus any applicable early withdrawal charges.

The guaranteed minimum withdrawal value is equal to [87.5]% of your single premium, less prior withdrawals, plus interest credited using an effective annual interest rate of [1] %.

2. Accumulation Table. This Endorsement includes an amended Accumulation Table. The values in the table have been revised to reflect the change in the guaranteed minimum withdrawal value described above.

All other terms and conditions of the Policy remain unchanged. The provisions of this Endorsement shall be effective on the Policy date of issue.

WESTERN NATIONAL LIFE INSURANCE COMPANY

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SECRETARY

ACCUMULATION TABLE

End of Policy Year	Annuity Value End of Year	Guaranteed Minimum Withdrawal Value
1	10,000	8,838
2	10,000	8,926
3	10,000	9,015
4	10,000	9,105
5	10,000	9,196
6	10,000	9,288
7	10,000	9,381
8	10,000	9,475
9	10,000	9,570
10	10,000	9,665
11	10,000	9,762
12	10,000	9,860
13	10,000	9,958
14	10,058	10,058
15	10,158	10,158
16	10,260	10,260
17	10,363	10,363
18	10,466	10,466
19	10,571	10,571
20	10,677	10,677
21	10,783	10,783
22	10,891	10,891
23	11,000	11,000
24	11,110	11,110
25	11,221	11,221
26	11,333	11,333
27	11,447	11,447
28	11,561	11,561
29	11,677	11,677
30	11,794	11,794
31	11,912	11,912
32	12,031	12,031
33	12,151	12,151
34	12,273	12,273
35	12,395	12,395
36	12,519	12,519
37	12,644	12,644
38	12,771	12,771
39	12,899	12,899
40	13,028	13,028

Values shown assume:

- A \$10,000 single premium;
- No prior withdrawals;
- No premium tax deductions;
- No index interest crediting;
- A maximum Initial Index Term of seven years, for purposes of assessing the early withdrawal charge.

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification Comments: Attachment: FLSHCERT_generic.pdf		

	Item Status:	Status Date:
Bypassed - Item: Application Bypass Reason: n/a Comments:		

	Item Status:	Status Date:
Satisfied - Item: Life & Annuity - Acturial Memo Comments: Attachment: Act Memo.pdf		

	Item Status:	Status Date:
Satisfied - Item: SOV Comments: Attachment: SOV_R432.pdf		

CERTIFICATION

WESTERN NATIONAL LIFE INSURANCE COMPANY, NAIC # 70432, hereby certifies that the following form(s) comply with the Flesch scale of readability requirements of your State and the forms achieved the following score:

<u>Form Number</u>	<u>Form Description</u>	<u>Flesch Score</u>
R432-12	Endorsement	48



Tracey Harris
Vice President

06/12/12
Date

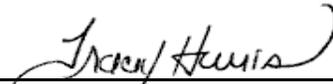
Western National Life Insurance Company

Statement of Variability for Forms:

R432-12

Date: June 12, 2012

- For administrative purposes, the location, telephone number and other annuity contact information is bracketed.
- For administrative purposes, the Officer signatures are bracketed on the cover page of the policy.
- The guaranteed minimum withdrawal value in the above captioned form are submitted on a variable basis.
 - The guaranteed minimum withdrawal value will always be based on at least 87½ of the single premium accumulated at the rate explained below. This rate is bracketed so that the Company may be able to increase this percentage given an improvement in the interest rate environment. The range for this percentage is 87½% to 100%.
 - The guaranteed effective annual interest rate is 1.0%. The rate will always be equal to or exceed the rate produced by the procedures filed with the Department. The guaranteed minimum interest rate will range between 1.0% to 3.0% and is tied to the five-year Constant Maturity Treasury Rate. Any changes to the guaranteed minimum interest rate will be applicable to new issues only.



Tracey Harris - Vice President
Western National Life Insurance Company